



**Connecticut
Light & Power**

The Northeast Utilities System



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TESTIMONY OF RICHARD A. SODERMAN
THE CONNECTICUT LIGHT AND POWER COMPANY
and YANKEE GAS SERVICES COMPANY
Energy and Technology Committee—March 11, 2010

**S.B. No. 416 AN ACT CONCERNING ENERGY FROM COMBINED HEAT AND POWER
SYSTEMS.**

The proposed bill would extend current net metering provisions to combined heat and power systems. In effect, this bill would provide another subsidy to combined heat and power systems, shift costs to other customers, and increase the administrative burden of tracking such net metering activity.

This proposal is simply a way to create additional, non-transparent subsidies to some of those already authorized by law for CHP distributed generation. Net metering would allow customers who own CHP energy sources and who use less energy than they generate to bank their unused credits, and use them in subsequent months to avoid charges for wires and equipment that serve them. As drafted, it removes the 2 megawatt size limit for CHP that applies to other net metering applications, and does not require the CHP to meet the CHP efficiency standards of a Class III renewable. We oppose this bill.

Connecticut already has substantial incentives for development of CHP and we do not believe that it is appropriate to add through the back door additional, non-transparent subsidies that are paid for by all other customers. If the state wants to give greater incentives, then it should do so directly and transparently, and not hide them behind the intricacies of rate design. Doing so can lead to uneconomic decision-making and contribute to the reasons why Connecticut has among the highest rates in the nation.

Thank you for the opportunity to testify on this matter.